

Thomas P. Bleau, Esq., SBN 152945
 Martin R. Fox, Esq., SBN 155783
 Gennady L. Lebedev, Esq., SBN 179945
 BLEAU / FOX, A P.L.C.
 3575 Cahuenga Boulevard West, Suite 580
 Los Angeles, California 90068
 Telephone : (323) 874-8613
 Facsimile : (323) 874-1234
 E-mail: bleaushark@aol.com
 E-mail: glededev@bleaufox.com

Attorneys for Plaintiff and Counter-Defendant
 HOUTAN PETROLEUM, INC.

GLYNN & FINLEY, LLP
 CLEMENT L. GLYNN, Bar No. 57117
 ADAM FRIEDENBERG, Bar No. 205778
 One Walnut Creek Center
 100 Pringle Avenue, Suite 500
 Walnut Creek, CA 94596
 Telephone: (925) 210-2800
 Facsimile: (925) 945-1975
 Email: cglynn@glynnfinley.com
afriedenberg@glynnfinley.com

Attorneys for Defendant and Counter-Plaintiff
 CONOCOPHILLIPS COMPANY

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

HOUTAN PETROLEUM, INC.

Plaintiff,

v.

CONOCOPHILLIPS COMPANY, a Texas
 Corporation and DOES 1 through 10,
 Inclusive

Defendants.

CASE NO. CV 07-05627 SC

**JOINT STATEMENT OF THE CASE TO BE
 READ TO THE JURY**

Trial Date: August 18, 2008

Time: 10:00 a.m.

Courtroom: 1

Before: Hon. Samuel Conti

Plaintiff and Counter-Defendant Houtan Petroleum, Inc. ("Houtan Petroleum") and Defendant
 and Counter-Plaintiff ConocoPhillips Company ("ConocoPhillips ") hereby jointly propose the
 following agreed upon brief statement of the case to be read to the jury prior to trial:

1 Houtan Petroleum operates a gas station at 101 E. El Camino Real, Mountain View,
2 California. Prior to October 31, 2007, Houtan Petroleum operated the station as a Union 76 branded
3 franchisee pursuant to a sublease with ConocoPhillips. ConocoPhillips is the owner of the Union 76
4 brand and trademark. ConocoPhillips also owns the equipment (for example, the fuel pumps,
5 underground piping, fuel tanks and other equipment) and improvements (such as the buildings and
6 canopies) at the station. ConocoPhillips does not own the land on which the station is located, but
7 leased it from a third-party named V.O. Limited Partners.

8 ConocoPhillips terminated its franchise with Houtan Petroleum effective October 31, 2007
9 due to that fact that its lease with V.O. Limited Partners expired. Since November 1, 2007, Houtan
10 Petroleum has been operating the station pursuant to a new lease directly with the landowner, V.O.
11 Limited Partners

12 Motor fuel station franchises are governed by a federal law called the Petroleum Marketing
13 Practices Act or the "PMPA" which contains specific provisions for the steps a franchisor must take
14 when a petroleum franchise agreement is terminated. Plaintiff contends that ConocoPhillips violated
15 provisions of this law by not making a "bona fide" offer to sell its equipment and improvements at
16 the gas station to Plaintiff. ConocoPhillips contends that it fully complied with the PMPA and that it
17 did make a "bona fide" offer to Plaintiff.

18 ConocoPhillips has also brought claims against Houtan Petroleum. In these claims,
19 ConocoPhillips claims that Houtan Petroleum has wrongfully refused to return ConocoPhillips'
20 property (the equipment and improvements at the station). ConocoPhillips contends that under the
21 parties' franchise agreement, Houtan Petroleum was required to return this property to
22 ConocoPhillips upon expiration or termination of the franchise agreement. Houtan Petroleum does
23 not deny that it has retained this property, but contends that it was entitled under the law to do so.

24 Dated: August 8, 2008

BLEAU / FOX,
A Professional Law Corporation

25 By: /S/ Thomas P. Bleau
26 Thomas P. Bleau, Esq.
27 Martin R. Fox, Esq.
28 Gennady L. Lebedev, Esq.
Attorneys for Plaintiff, Houtan Petroleum, Inc.

Dated: August 8, 2008

GLYNN & FINLEY, LLP

By: /S/ Adam Friedenberg.
Clement L. Glynn, Esq.
Adam Friedenberg, Esq.
Attorneys for Defendant, ConocoPhillips
Company